



CAREER MATTERS

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U.S. AIR FORCE

COMMANDERS NOTAM 00-9

GENERAL RYAN

Congress and the President recently approved the FY01 National Defense Authorization Act and appropriations bill representing America's commitment to improving the quality of life for our armed forces while simultaneously meeting some of our near term readiness and modernization needs. We are pleased with the significant military health care system benefits, the urgent readiness issues such as training of combat forces, ranges, spare parts, missile maintenance, and our fully funded F-22 fighter modernization program. We are striving to provide you the resources you need to do your missions while also focusing on the quality of life issues you and your families need. Here are some of the highlights...some of the "good news" items in this year's legislation:

Compensation, Education, Health Care

A 3.7% base pay increase in Jan 01, 0.5% above the private-sector Employment Cost Index. This is keeping with last year's legislation to increase pay above private sector wages to continue to close the "pay gap."

Restructure of basic pay tables to increase basic pay for our staff, technical, and master sergeants effective Jul 01.

Basic allowance for housing increase in order to reduce out-of-pocket housing expenses to zero by FY2005.

Eliminated different basic allowance for housing rates for Airman Basic through Senior Airman.

Eliminated co-payments for dependents under TRICARE Prime while establishing improvements in claims processing and authorizing a travel reimbursement for Primary Care Physician referred specialty care greater than 100 miles away.

Permanently extended TRICARE/CHAMPUS eligibility to all military retirees, regardless of age, and their eligible dependents.

Implemented a comprehensive retail and national mail-order pharmacy benefit for all eligible beneficiaries.

Extended temporary authority to expand civilian separation incentives and early retirement authority for the purpose of shaping the civilian work force to maintain needed skills and to hire civilian employees with critical technical skills.

Further expanded Montgomery GI Bill benefits to those enrolled in Veterans Educational Assistance Program (VEAP) and on active duty in Oct 96 through Apr 00. The GI Bill provides a nine to one government match of the member's contribution versus the two to one match provided by VEAP.

Authorized the military services to cover 100% of member tuition costs in the Tuition Assistance program.

Directed the Secretary of Defense to implement a program to assist those members who qualify for food stamps by providing an additional special pay of up to \$500 per month.

Air Reserve Component Issues

Increased the maximum number of inactive duty points that may be credited toward reserve retirement from 75 to 90 in any one year.

Authorized space-required travel on military aircraft with the same priority as active duty for reservists traveling to and from active or inactive duty (IDT) and billeting for IDT when traveling to a location more than 50 miles from their residence.

Provided the option for reservists to be paid either the \$50 stipend or one day of basic pay for performing funeral honors duty.

Approved eligibility of reservist's children for presidential appointments to the Service academies.

While these gains for Air Force members and their families will help us to continue recruiting and retaining the men and women we need in our Air Force, much remains to be done. This budget provides \$27.1 billion, slightly more money than requested, for operations and maintenance funding and \$2.2 billion for military construction and family housing. The increase is welcome but we told Congress more will be needed...\$20 to 30 billion more per year to make the Air Force whole. Recapitalization is a must for

our force. It spans from our critical readiness to our people and includes our aerospace assets and infrastructure as well. This will be the key message we continuously carry forward as we build our aerospace force for the future.

FY01 NATIONAL DEFENSE AUTHORIZATION ACT

AF/DP

1. Our ongoing efforts to compensate our mission-focused total force took a great step forward when the President signed the FY01 National Defense Authorization Act (NDAA). The bill contains key provisions which will impact our total force and our continued emphasis on retention, recruiting, and quality of life. The improved pay and benefits contained in this bill are the result of strong support from the President, the Secretary of Defense, the Secretary of the Air Force, the Chairman, the Joint Chiefs, and the Congress and reflects the sincere gratitude of the American public for the sacrifices of our nation's military members and civilian employees. This message includes key personnel program highlights from the new law and is an advisory only. DoD and Air Force implementation guidelines remain to be developed on some issues.

Pay and compensation

A. Increase in basic pay - increases basic pay by 3.7 percent effective 1 Jan 01. This increase in pay will reduce the pay gap between military and private sector pay as measured by the employment cost index (ECI).

B. Pay table restructure - in addition to across the board pay raises in basic pay, the bill includes a provision to provide targeted pay increases for noncommissioned officers in pay grades E-5, E-6, and E-7 effective 1 Jul 01.

C. Basic allowance for housing (BAH):

1) Repeals the requirement that service members pay 15 percent of housing costs out-of-pocket and authorizes the SECDEF

to raise BAH rates to eliminate out-of-pocket expenses by FY05.

2) Eliminates different BAH rates for E-1 through E-4 with dependents.

D. Ends partial BAS and implements one enlisted BAS rate for all effective 1 Oct 01. Beginning 1 Jan 02, BAS rate increases will be tied to increases in USDA food costs.

E. Supplemental food program:

1) Authorizes the SECDEF to establish a five-year program to pay eligible members who qualify for food stamps up to \$500 per month. The value of the member's BAH will be included when determining eligibility, even if the member resides in government housing.

2) Excludes BAH when computing eligibility for the special supplemental program for service members assigned outside the US.

F. Special pays and bonuses:

1) Authorizes the use of officer and enlisted bonus not to exceed \$200k per person, per career, using various payment methods for those serving in critical skills.

2) Consolidates existing bonus authorities and establishes a maximum amount of \$20k that may be paid to any enlistee.

3) Authorizes pharmacy officers a special pay ranging from \$3k-\$12k per year and an accession bonus not to exceed \$30k.

4) Clarifies that the special pay for board certified veterinarians in the Armed Forces and the public health service includes Air Force Biomedical Sciences officers who hold a degree in veterinary medicine.

G. Increases monthly subsistence allowance for members of precommissioning programs to \$200-\$674 per month and establishes pay rates for cadets at service academies at 35 percent of basic pay of an O-1 with less than 2 years of service.

H. Increases the one-time initial uniform allowance paid to officers from \$200 to \$400 and the one-time additional uniform allowance from \$100 to \$200.

Travel and transportation allowances

A. Authorizes advance payment of temporary lodging and living expenses incident to permanent changes in station (PCS).

B. Requires SECDEF to develop regulations to authorize member a prorated share of savings achieved when household goods is less than established average.

C. Allows up to \$275 reimbursement for mandatory pet quarantine incident to PCS.

D. Increases the amount of dislocation allowance paid to service members with dependents in pay grades E-1 through E-4 to the amount paid to service members in pay grade E-5.

E. Allows reimbursement of parking fees incurred after 1 Oct 01 for recruiters, ROTC cadre, MEPS personnel, and DoD civilians

F. Expands funded student travel for dependents to all formal education, to include vocational education.

Retirement and survivor benefit programs

A. Increases the number of inactive duty periods that may be credited toward retirement in a year from 75 to 90.

B. Requires reserve component survivor benefit plan spousal consent.

C. Requires computation of retired pay for personnel following a reduction in grade without subsequent promotion be based on basic pay of the grade held at retirement rather than average of high three years.

D. Permits retired active component member, who later serves and is promoted in an active reserve position, to retire as a member of the retired reserve at the higher grade.

E. Makes former members of the uniformed services retired for disability, eligible to receive the special compensation for severely disabled uniformed services retirees.

Other matters

A. Authorizes payment of incapacitation pay for reservists who incur an injury, illness, or disease in the performance of funeral honors duty.

B. Authorizes thrift savings plan 180 days after enactment with provision for SECDEF to postpone implementation for an additional 180 days.

C. Authorizes reservists traveling to inactive duty training at a location more than 50 miles from their residence to be eligible for billeting on same basis as active duty.

D. Authorizes reservists traveling to a place of annual or inactive duty training to travel space-required on military aircraft between members' home and place of such duty or training.

E. Excludes certain reserve component officers serving on active duty for periods of three years or less from the active duty list for promotion purposes.

Military policy

A. Authorizes SECDEF to extend the service of reserve medical service corps and biomedical service officers to age 67.

B. Authorizes release of officer promotion selection board reports below grade of general upon transmittal of report to president.

C. Deletes requirement to have members serving on the active duty list when sitting on active duty list selection board if reserve officers are being considered.

D. Gives member the option to terminate receipt of VSI payments if entitled to retired pay.

E. Makes officers ineligible for separation pay when they twice fail selection for promotion and are offered continuation on active duty until retirement but decline continuation.

F. Changes point at which high deployment per diem allowance would begin to 401 days or more of preceding 730 days.

G. Directs SECDEF to implement transit pass program in any area that does not meet revised national air quality standards.

Recruitment

A. Makes children of reservists eligible for presidential appointments to the service academies.

B. Requires SECDEF to review JROTC allocations and to redistribute among services for FY01 through FY06.

C. Directs local educational agencies to provide DoD with access to secondary school students.

D. Requires SECDEF to enhance effectiveness of joint and service recruiting and advertising programs through an aggressive program of advertising and market research.

Education

A. For a period of up to one year after enactment, allows VEAP participants to enroll in the Montgomery GI Bill if they pay a premium not to exceed \$2,700.

B. Modifies authority to pay tuition/expenses for off-duty education.

Civilian initiatives

A. Streamlines process to hire and pay employees of temporary organizations, and limits term appointment to 3 years.

B. Lifts restrictions on degree training to allow for payment/reimbursement of academic degree or post-secondary education.

C. Requires director of OPM to implement student loan repayment program which will eliminate restriction on repayment to professional, technical, or administrative personnel, and would include federal student loan programs.

D. Extends the voluntary reduction in force program from 30 Sep 01 to 30 Sep 05.

E. Establishes foreign language proficiency pay for civilians requiring proficiency because of national security interests. Pay rate not to exceed five percent of basic pay.

F. Gives SECDEF authority to grant cash award up to \$25k without prior approval from OPM.

G. Allows emergency essential employees to be insured within 60 days of designation.

H. Authorizes voluntary separation incentive pay (VSIP) and voluntary early retirement authority (VERA) for workforce shaping, but limits the numbers and use in FY01 to

employees eligible for optional retirement, and requires reauthorization by the next Congress before the provision may be used in FY02 and FY03.

I. Extends existing authority from 30 Sep 01 to 30 Sep 05 for civilian employees to be offered VSIP to reduce or eliminate the possibility of involuntary separation by force reduction.

Health care initiatives

A. Extends TRICARE/CHAMPUS to all eligible military retirees, regardless of age, and their dependents. Extends the Medicare subvention program to 31 Dec 01.

B. Eliminates requirement to obtain non-availability statements for participants in TRICARE standard.

C. Eliminates need to obtain prior authorization before referring a patient to a specialty care provider.

D. Extends medical and dental care to Medal of Honor recipients and dependents.

E. Allows voluntary termination of enrollment in TRICARE retiree dental program for a period of 30 days at the beginning of the prescribed enrollment period.

F. Provides payment for domiciliary or custodial care services provided to eligible beneficiary for which payment was discontinued, and subsequently reestablished under other legal authority.

G. Extends TRICARE Prime Remote to all uniformed service personnel and immediate family members and repeals co-payments by active duty dependents under TRICARE Prime Remote.

H. Repeals co-payments by active duty dependents under TRICARE Prime.

I. Authorizes reimbursement for travel if referred to specialty care more than 100 miles from primary care provider.

J. Reduces catastrophic cap to \$3k per year.

K. Implements TRICARE Senior Pharmacy Program providing Medicare eligible military retirees and family members the same pharmacy benefit available to all other non-active duty beneficiaries through TRICARE preferred provider and fee-for-service options.

L. Directs SECDEF to develop a plan to phase in over a period of five years, permanent chiropractic services for all active duty service personnel.

M. Extends medical and dental benefits for surviving dependents of deceased members from one year to three years.

2. This has been another banner year for our legislative compensation issues. Our senior leadership has worked hard to ensure we received the best possible pay and compensation/benefits package. We hope you

will share the good news with the folks in the field

3. This is an SAF/FMB and AF/DP coordinated message. This message and the FY01 NDAA bill language can be found on the AF/DP Internet website at <http://www.dp.hq.af.mil/>

ACT PAVES WAY FOR MILITARY PARTICIPATION IN THRIFT SAVINGS

American Forces Press Service

Military members will be able to create their own retirement nest egg by using the Federal Employees Thrift Savings Plan beginning next year, DoD officials said.

A portion of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 that President Clinton signed Oct. 30 allows service members to participate in the civilian retirement plan, said Navy Capt. Elliott Bloxom, DoD's director of military compensation.

The Thrift Savings Plan offers federal civilian employees the same type of savings and tax benefits that many private corporations offer their employees under so-called "401(k)" plans. Money invested in the TSP comes from pre-tax dollars and reduces taxable income; investments and earnings are not taxed until they're withdrawn.

The plan has been in place since 1986.

The authorization act would allow active duty and Ready Reserve service members to invest up to 5 percent of their basic pay in the plan and all of any special and incentive pays they may receive -- including bonuses -- up to a total \$10,500 annual limit.

Civilians in the current Federal Employees Retirement System receive matching government funds in the TSP program. The investment benefit for the bulk of the military force, however, will resemble that of workers in the old Civil Service Retirement System. Those employees also have a 5 percent ceiling and receive no matching funds.

Service members may be eligible for matching funds in limited instances. Under the Special Retention Incentive portion of the legislation, members in certain critical specialties may receive matching funds based on their contributions from basic pay. In return, the member would have to agree to spend at least six years in the specialty.

"The match is discretionary by the service secretaries," Bloxom said. "We will be meeting with the services to determine how the services want to implement this. I would envision at this point that the services would

offer the match similar to the way they offer the selective re-enlistment bonus."

Bloxom said the services might offer TSP matches instead of a selective re-enlistment bonus, but nothing in the law says service members cannot receive both.

The legislation calls for the plan to be implemented within 360 days of the signing of the legislation. "Of course, the critical date will be determined by when the (Federal Retirement) Thrift Investment Board is able to provide timely and accurate services to our members," Bloxom said. "Accommodating DoD will double the number of individuals who are eligible to participate in the TSP. Right now, we envision that members will be able to enroll in the TSP beginning in October 2001. That will mark the start of a special 60-day open season."

Participation is optional and not automatic. Service members who want to sign up or change their investment levels generally would do so during designated "open seasons" -- the same as civilian employees.

"Actual cash contributions would not start until after that open season," Bloxom said. He estimated service members would actually begin investing by January 2002.

DoD officials are working with the Defense Finance and Accounting Service and the thrift investment board on how to get the whole program up and running. Forms and educational materials will go out to service members so they can make an informed choice during the open season.

The TSP program currently allows employees to invest in any or all of three mutual funds: a government bond fund, a corporate bond fund and a stock fund. TSP administrators currently estimate that May 1, 2001, will be the stand-up of two new mutual fund options: international stocks and small-business stocks.

For more information on how the program works for civilian employees, visit the TSP Web site at www.tsp.gov. The site includes a range of forms and publications, news releases, FAQs and investment calculators, and it offers online account access. Information on TSP for the Uniformed Services -- UNISERV -- should also be available at the site soon.

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